

**SCOTTSDALE TOURISM DEVELOPMENT COMMISSION  
CITY OF SCOTTSDALE, PINNACLE CONFERENCE ROOM  
7575 EAST MAIN STREET  
AUGUST 19, 2003**

**MINUTES  
DRAFT**

**PRESENT:** Tom Morrow, Chairman  
Jerry Gleason, Commissioner  
Ken Goldfine, Commissioner  
Sally Shaffer, Commissioner  
Ned Sickle, Commissioner

**ABSENT:** Shaun Robinson, Vice Chairman

**STAFF:** Kathy Montalvo  
Kathy O'Connor

**OTHERS PRESENT FOR ALL OR PORTIONS OF THE MEETING:**

Rebecca Eickley  
Rachel Sacco  
Kristi Miller  
Brent DeRaad  
Dwayne Richard  
Lauren Kapinos  
Tim McGrane  
Matt Lehrman  
Mary Brown  
Jim Brown  
Barbara Dietz  
Shannon Williams  
Karen Churchard  
Janice McCrea-Wight

**CALL TO ORDER**

Chairman Morrow called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:10 a.m.

**ROLL CALL**

A formal roll call confirmed members present as stated above.

### **APPROVAL OF MINUTES**

**A MOTION WAS MADE BY COMMISSIONER GLEASON TO APPROVE THE MINUTES OF THE JULY 15, 2003 MEETING MINUTES AS PRESENTED. THE MOTION WAS SECONDED BY COMMISSIONER SICKLE AND PASSED UNANIMOUSLY.**

### **BED TAX COLLECTION REPORT AND FINANCIAL REVIEW**

Ms. Eickley reported staff would not have the final numbers until next month. She further reported they do have the preliminary numbers from the fiscal year that show the total bed tax is down \$62,000 from the last forecast that means about a \$40,000 shortfall to tourism development funds. The plan would be to take that out of the Capital Fund

Chairman Morrow noted that the numbers were down more than they had anticipated at the last meeting. Ms. Eickley stated the July numbers were down approximately 2.5%.

Ms. O'Connor stated she did not have the Bed Tax Collection Report data yet, but would email it to the commissioners or bring it to the next meeting.

### **SCOTTSDALE CONVENTION & VISITOR'S BUREAU UPDATE**

Ms. Sacco reported they are beginning the year-end audit and will submit it to the city in September. She further reported they would begin the new fiscal year with new Board members.

Ms. Sacco stated they are beginning to see exciting new usage in the IRIS relationship database that enables them to send targeted messages to the arts and cultural enthusiasts within their database.

Mr. DeRaad discussed the plans for Culture Quest and how it is different from last year. He provided a brief report on the budget for Culture Quest. He reviewed the CVB's FY2003–2004 Culture Quest Scottsdale Marketing & Operational Plan.

Mr. DeRaad reported the CVB would utilize Culture Quest funding to promote Scottsdale's unique Native American and western heritage, as well as the exceptional art, cultural and culinary aspects of our city.

Matt Lehrman, VP Communication, Scottsdale Cultural Council, discussed the Native Trails calendar noting that it has been expanded from what was done last year. He stated on two dates they will run Native Trails as an all day event starting at noon through the evening hours. He further stated those plans are still being shaped.

Commissioner Sickel stated he is excited about their approach. He further stated it is important that the Native Trails is on a consistent time from a hotel standpoint in terms of communicating with their guests. He inquired about the lessons they have learned from last year.

Mr. DeRaad stated the CVB is also committed to continuing its grass roots outreach to area hotels and resorts and local arts and cultural businesses to educate them about the revamped Culture Quest program and encourage them to work together to create Culture Quest packages that can be marketed to consumers. He further stated the lesson they have learned is that they need to have a sustained educational process. Ms. Sacco stated one of the biggest lessons they have learned is that everything takes time because they are used to wanting to see immediate results.

Chairman Morrow inquired if they have given any thought to developing new cultural activities as part of Native Trails. Ms. Sacco remarked they have a long-term vision and they would continue to have brainstorming sessions. Mr. Lehrman reported there is not a shortage of ideas but there is a shortage of funding.

Chairman Morrow inquired when the marketing and operational plan would be finalized. Mr. DeRaad replied they need to have it finalized within the next month in order to move ahead with some of their media commitments.

Chairman Morrow stated he felt it would be helpful to the Commission to receive the documents from the CVB before the meeting to allow them time to review them.

Mr. DeRaad reviewed the FY2003-2004 CVB Event Marketing Plan. He reported the goal of the event-marketing program is to showcase the exciting festivals and events that make Scottsdale such an enjoyable destination to visit. They want to use these events as a hook to attract additional visitors to stay at Scottsdale hotels and resorts.

Mr. DeRaad stated their intention is to leverage their limited advertising dollars to the best of their ability. This means they will promote Scottsdale's special events, but will also market combinations of Scottsdale's destination driver attributes, including golf, the resort/spa experience and Culture Quest. Therefore, they project using event marketing funds to pay a portion of the insertion costs of advertising where special events are promoted or listed.

(Commissioner Goldfine arrived at 8:30 a.m.)

Chairman Morrow asked if the event promoters had comments on the event-marketing plan.

Ms. Brown, Festival of the West, stated her main concern is that the amount of money given would be too diluted and they would not get the kind of marketing if they had done their own marketing.

Mr. Brown stated with respect to the ads in Cowboys and Indians it would be better to run those ads in the December time frame for their event.

Mr. DeRaad stated they have a contingency fund in the budget so they can fill in the holes.

Ms. McCrea-Wight stated it would be beneficial to advertise activities and events that appeal to the entire family. She further stated they have a lot of families attend the Arabian Horse Show.

Mr. DeRaad reported they would continue to work with all of the events.

Mr. McGrane stated their target customer base has a different focus from the CVB they are coming from a lifestyle point of view.

Ms. Dietz stated the CVB did contact her regarding pictures and she was thrilled there are pictures on the web site. She further stated they need to get together quickly to get the rest of the things going.

Ms. O'Connor provided an update on the hotel meetings research project. She passed out an executive summary of the report. She reviewed the highlights of the report. She noted the primary point that the study makes is that there is ample opportunity to develop business with businesses and organizations that have not held meetings in Scottsdale in the past. She further noted it is interesting that the hoteliers and meeting planners' perception of the product are not parallel.

Ms. Miller stated the meeting planners that have stayed in Scottsdale enjoyed their stay. Their job is to find customers that have never been here. She reviewed the action plan that was developed to attract new meeting business.

### **SPECIAL EVENT EVALUATIONS AND FUNDING RECOMMENDATIONS**

Ms. O'Connor stated at the previous meeting, Commissioner Goldfine had a couple of questions pertaining to the criteria and the process this year. She further stated he inquired if an event does not meet the minimum criteria can they fund it. She reported that it is probably not advisable because the criteria were published in the application. The question was raised if the event meets all of the criteria do they have to give them money. She further reported the answer to this question is a little less specific in terms of the response, but the bottom line was that the Commission would want to stick with the adopted criteria for this year because it was published in the application. It may have discouraged other events from applying that might otherwise have applied for FY2003-2004.

Ms. O'Connor reported that Fred Scrutchfield, the producer of the Detour advised her that the event was "going dark" for a year in order to re-organize some of the elements, and will not be held in November, 2003.

Ms. O'Connor stated the IMG has sold the women's tennis tournament.

Ms. O'Connor stated the Commission has two events to consider for funding: Sol Fest Southwest and Rock 'n' Roll Marathon. The Commission heard the Sol Fest Southwest presentation at the July meeting. She further stated the Special Event review committee met and reviewed each application and then evaluated it for compliance with the minimum criteria and recommendations were formulated accordingly. She reported that Sol Fest Southwest was found not to meet the minimum criteria and no funding was recommended by the subcommittee. She remarked the subcommittee agreed that it was a great event and had a lot of potential. She further remarked the CVB plans to work closely with Belle Starr and try and help their gate and attendance.

Ms. O'Connor stated the subcommittee evaluated the P.F. Chang's Rock 'n' Roll Marathon and this event clearly met the criteria and the recommended funding is \$20,000.

Karen Churchard, Elite Racing, stated they are excited about their partnerships with Scottsdale, Phoenix and Tempe and that they have all come together for this community event. She provided background information on Elite Racing.

Shannon Williams stated she is the Event Manager for the marathon and half marathon. She provided information on their successful history in other locations. She reported they have 5,000 rooms blocked at Scottsdale/P.V. hotels. She further reported they have national television coverage. This event will attract world-class athletes. This event will be cross promoted at similar events nationally. She remarked direct mail is sent to 300,000 plus runners e-mail. She provided a brief overview of their marketing program. She further remarked this event will showcase Scottsdale's sports and recreation theme both participatory and spectator. She noted they are projecting 30,000 runners. She provided information on the demographics of the participants. She also provided information on the economic impacts other similar events have had.

Commissioner Sickles inquired if in future years they would be able to look at having a different route that would showcase areas that are more attractive than the Los Arcos area. Ms. Williams stated the route would change after the first year. She further stated they looked at areas that are more attractive but the city services were not available in those areas.

Commissioner Sickles inquired if this event were to receive the recommended \$20,000 how would these funds be used. Ms. Williams replied it would be used for additional exposure. They would do more advertising.

Commissioner Goldfine stated he would agree with Commissioner Sickle's comments regarding choosing a nicer route. Commissioner Goldfine inquired how the hotels were chosen and how was the information sent out. Ms. Williams stated they sent out a lead last February to all of the hotels and they were offered the opportunity to participate. Ms. Churchard reported they still need more hotels so if any hotels are interested to contact them. Ms. Williams stated she has been working closely with the charities regarding blocking rooms. She further stated a significant number of runners would be charity runners.

Chairman Morrow requested Elite Racing share with the Commission the actual room nights that were generated by this event after the event.

**COMMISSIONER GOLDFINE MOVED TO APPROVE THE RECOMMENDATION BY THE SUBCOMMITTEE FOR SPECIAL EVENTS FUNDING FOR FY 2003-04 TO FUND \$20,000 FOR P.F. CHANG'S ROCK 'N ROLL ARIZONA. SECOND BY COMMISSIONER SICKLE AND PASSED UNANIMOUSLY.**

**COMMISSIONER SICKLE MOVED TO APPROVE THE RECOMMENDATION BY THE SUBCOMMITTEE TO NOT FUND SOL FEST SOUTHWEST. SECOND BY COMMISSIONER SHAFFER AND PASSED UNANIMOUSLY.**

Commissioner Goldfine inquired if the Commission was interested in passing some sort of motion that voiced their support of the concept of the Sol Fest Southwest event. A discussion ensued and the Commission agreed a motion of support would be appropriate.

**COMMISSIONER GOLDFINE MADE A MOTION OF SUPPORT FOR THE CONCEPT OF SOL FEST SOUTHWEST THAT ALTHOUGH THIS EVENT DID NOT MEET THE MINIMUM CRITERIA THE COMMISSION ENTHUSIASTICALLY SUPPORTS THE EVENT AND WISHES THEM SUCCESS IN THE COMING YEAR. SECOND BY COMMISSIONER SHAFFER AND PASSED UNANIMOUSLY.**

#### **SIGNATURE EVENT QUALIFICATION AND EVALUATION CRITERIA**

Ms. O'Connor reviewed the Commission's current adopted policies and procedures pertaining to Signature Event funding recommendations. The existing criteria (used in FY02-03 Signature Event evaluation) would apply to the FY03-04 Signature Event proposals unless the Commission wishes to direct staff otherwise.

Ms. O'Connor reported at a previous Tourism Development Commission meeting, the Commission unanimously approved a motion to allocated \$149,072 of the fiscal year 2003-04 tourism development funds for Signature Events funding support.

Ms. O'Connor stated modifications to the existing Event Funding program have been discussed at various Commission and sub-commission meetings during the past year and a half.

Ms. O'Connor remarked the Commission is welcome to consider any modifications at this point. She further remarked the current criteria requires a minimum 10 year event history and demonstrated appeal to the 'target one' market segment. Events such as the Rock 'n' Roll Marathon do not meet the 10-year history criteria so cannot be considered a signature event and receive city in-kind services such as traffic control.

Commissioner Shaffer inquired if there are any events that come close to meeting the Signature Event criteria. Ms. O'Connor replied there are a few events like the Rock 'n' Roll Marathon. Commissioner Goldfine stated the Kruse Auto Action would be another example.

Commissioner Sickie recommended they look at the criteria at the retreat if there was not any urgency to settle today. Ms. O'Connor stated it is up to the Commission's discretion in terms of time. She reported that the survey information they have is dated. A discussion ensued and the event producers in attendance commented on the cost of the surveys noting in most cases they felt the money is better spent on marketing their events. Ms. O'Connor stated she would like to get together with the events to see if there would be an equitable way to obtain the data.

The consensus of the Commission was to leave the current criteria in place and continue their discussion at the retreat.

### **ADMINISTRATOR'S REPORT**

Ms. O'Connor stated that included in the Commission's packet was a copy of the Smith Travel Research report. She provided a brief overview of the report.

Ms. O'Connor passed out a copy of the meeting Calendar for next year. She stated it would be a good idea to schedule the retreat prior to their November meeting. The retreat was scheduled for Tuesday, November 4<sup>th</sup> from 9:00 to 4:00 p.m. Commissioner Gleason volunteered to host the retreat.

Commissioner Goldfine suggested that between now and then they flesh out the agenda outline and assign homework so that everyone is prepared and the retreat runs efficiently. Chairman Morrow stated the Commission should have their ideas for agenda topics to staff in two weeks.

Ms. O'Connor reported City Council would be back in session beginning Monday night and assuming all goes well Margaret Dunn will be appointed to the Commission.

Ms. O'Connor stated that a resolution in support of Super Bowl 2008 bid is on the August 25, 2003 Council agenda.

Commissioner Goldfine inquired if Ms. Sacco had any information regarding the Kruse Auto Auction moving from Scottsdale to another location. Ms. Sacco reported the Kruse Auto Auction has moved from Scottsdale to Litchfield Park and is headquartered at the Wigwam Resort. She further reported she called Rawhide and they informed her they left for a variety of reasons.

Mr. McGrane, VP Marketing, Barrett-Jackson, stated the Kruse Auto Action would be held at PIR.

Commissioner Goldfine inquired if there was a time conflict with the Barrett Jackson event. Mr. McGrane stated it was his understanding that it was always their intention to move to PIR. He further stated the events are on the same weekend. Commissioner Goldfine stated after attending the Monterey event where there are several events going on at the same time they could take a few lessons from them. Mr. McGrane stated they could learn lessons from Monterey to a certain extent but because of all of the events going on many events had poor performance.

Commissioner Goldfine stated he was surprised that the TDC and the CVB did not know that the Kruse Auto Auction was leaving until after the fact. He further stated he would be unhappy to see any of the events leave. He remarked he felt they should some how stay informed so these things don't come as a surprise. Ms. O'Connor stated that retention of events would be a great retreat agenda item. Chairman Morrow commented this is not a new happening because they have lost other events. Commissioner Goldfine stated they can't stop change but they should build relationships rather than just react.

Mr. McGrane stated one of the reasons Barrett Jackson chose to oppose the Kruse Auto Action application for Signature Event status is because they knew they were looking to go elsewhere. They did not want to embrace a short-term event. Commissioner Goldfine stated he would disagree with that statement.

#### **UPCOMING EVENTS AND COMMISSION BUSINESS**

Chairman Morrow reported the next regularly scheduled meeting would take place, Tuesday September 16, 2003.

#### **ADJOURNMENT**

**There being no further business to come before the Commission, being duly moved and seconded, the meeting was adjourned at 9:52 a.m.**

Respectfully submitted,  
"For the Record" Court Reporters.



Scottsdale Tourism Development Commission

August 19, 2003

Page 9